Shattering the Glass Box ?

Women Entrepreneurs and the Knowledge-based Economy

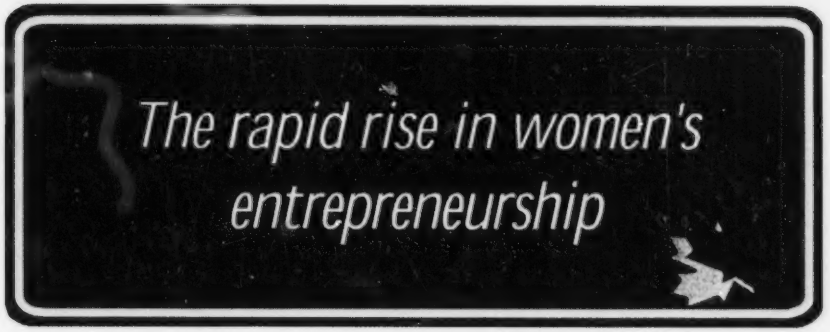
101-06591/

Introduction

The knowledge-based economy is growing all around us, becoming ever more pervasive — and changing the face of business. Not only has this contributed to the rapid rise in female entrepreneurship, but businesswomen are now playing an increasingly key role in helping Canada take fuller advantage of the opportunities associated with the knowledge-based economy (KBE).

This report focuses on the recent rapid rise in the number of self-employed women, across industries and across Canada — with special attention to the fast in-roads they are making in the KBE. At one time, women setting out on their own as entrepreneurs escaped the glass ceiling at peril of being caught in a glass box, unable to take full advantage of all opportunities. But today women are in many ways the leaders of an entrepreneurial wave, starting businesses at twice the rate that men are, including in several industries closely associated with the KBE.

But who are these self-employed women? Are younger women more likely to be self-employed in knowledge-based activities? And are there special concerns/needs for current and prospective women business-owners, especially arising from the KBE? What we find is that women entrepreneurs, many of whom are young and aspiring, are integral to our future prosperity — as doers and shapers in a business culture increasingly characterized by an emphasis on knowledge and new skills. As these areas continue to expand quickly, their role will only become more pivotal.


The rapid rise in women's
entrepreneurship

Women's entrepreneurship is growing quickly...

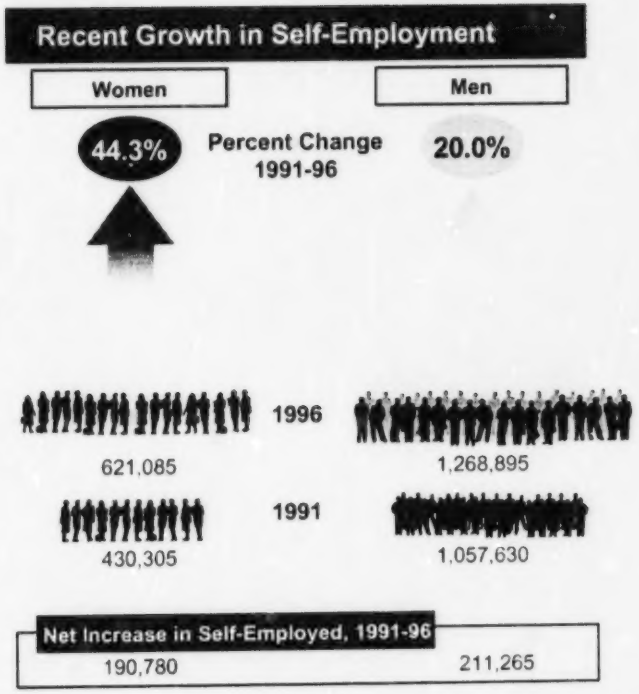
More women are starting their own businesses.

- **And although women entrepreneurs comprise only one-third of all self-employed, their numbers are growing at a rate that is twice that for self-employed men.**

- **In the process, they are starting an almost equal number of new businesses.**

Women are now contributing nearly half of all new businesses.

The self-employed are defined to include incorporated and unincorporated businesses. Data used in this study comes mainly from the Census of Canada and focuses on the population age 15 and over who live in private households. It is supplemented by Statistics Canada data from the Labour Force Survey, and the Survey of Work Arrangements, and select data from the OECD and the U.S. Current Population Survey.



Source: Census of Canada, 1991 and 1996

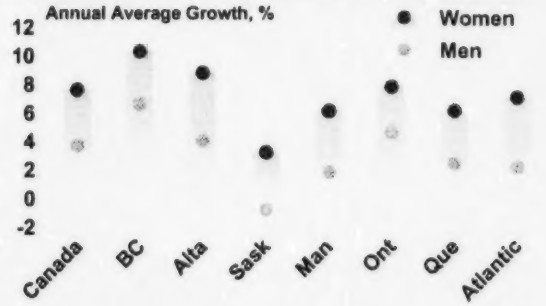
...right across Canada

Self-employment by women is growing quickly in <u>every</u> province.

- **From a low of 3.2% in Saskatchewan to a high of 10.3% in BC.**
- **In Saskatchewan, Manitoba, Quebec and the Atlantic region, there are more new self-employed women than men.**

Entrepreneurship among women is growing strongly in every province.

Growth in Self-Employment, 1991-96



Net Increase in Self-Employed, 1991-96

	Canada	BC	Alta	Sask	Man	Ont	Que	Atlantic
Women	190,800	41,300	27,400	4,200	6,400	71,300	30,300	9,400
Men	211,300	53,200	27,800	-2,900	4,500	91,400	29,200	7,400

Source: Census of Canada, 1991 and 1996

The strides are remarkable, even on an international scale...

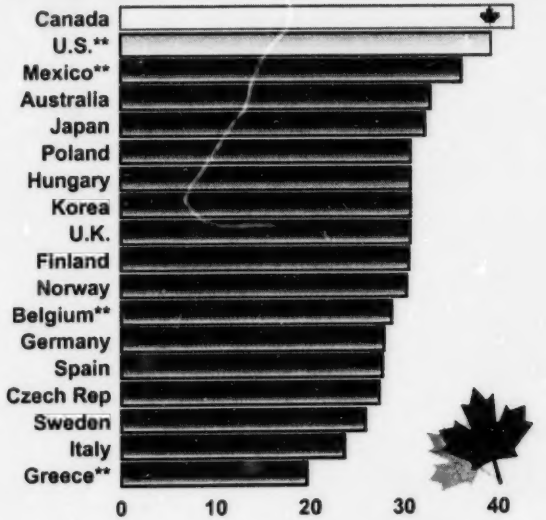
Canada ranks first in the OECD in terms of female representation in unincorporated self-employment.†

The U.S. is slightly behind, in second place.

Women in Canada have the highest share of self-employment.

† Many countries follow the practice of including those self-employed who are incorporated with paid workers rather than with the self-employed. For this reason, international comparisons of the self-employed are often restricted to unincorporated businesses.

Women's Share of Self-Employed,* 1996



* Only unincorporated businesses, and excludes the farm sector.
** Latest available data is 1992 for Belgium, 1994 for Mexico, and 1995 for Greece and the United States.
Source: OECD, Labour Force Statistics, 1997

...including relative to the U.S.

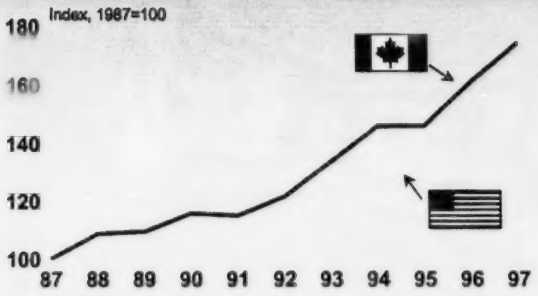
In recent years, women in Canada have been making stronger in-roads into self-employment than women in the U.S.

- **Growth in the number of Canadian unincorporated businesses owned by women has surpassed that in the U.S. since 1989.**

- **The percent of working-age women who are self-employed (unincorporated plus incorporated) is now higher in Canada at 8.7% of women versus 7.6% in the U.S.**

Women in Canada appear more entrepreneurial than in the U.S., as measured by the proportion of working women who are self-employed.

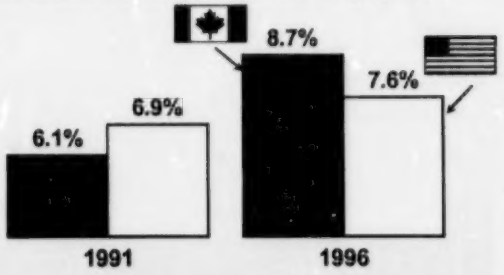
Growth in Unincorporated Businesses Owned by Women, 1987-97



Source: Statistics Canada, Labour Force Survey and U.S. Current Population Survey

Women's Self-Employment Rates

Self-Employed Women as a % of Working Women



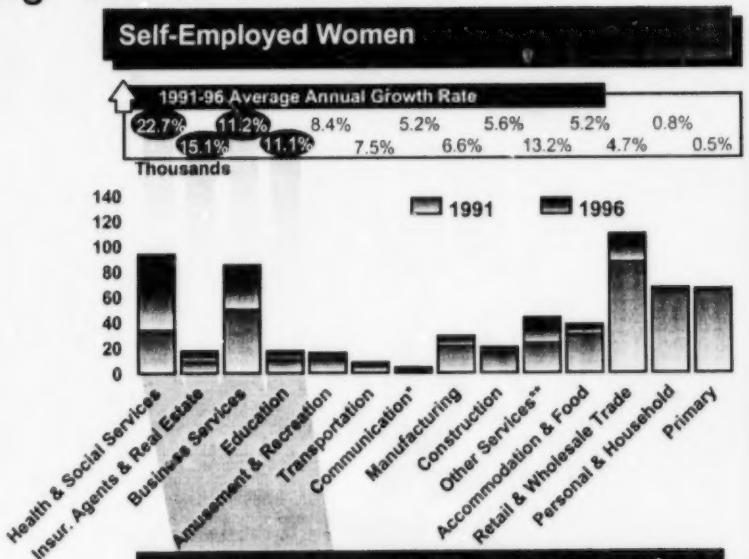
Source: Census of Canada, 1991 and 1996 and the U.S. Current Population Survey (adjusted to Canadian definitions, as compiled and calculated by Garnett Picot, Marilyn Manser and Zhengxi Lin, "The Role of Self-Employment in Job Creation in Canada and the United States," International Conference on Self-Employment, Burlington, Ontario, September 1998).

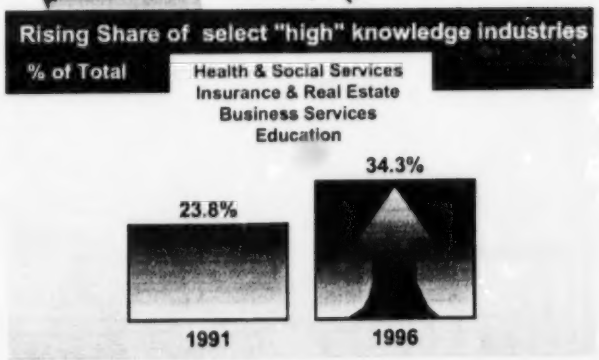
Women's entrepreneurship is rising "across the board"...

Women are choosing to become entrepreneurs in increasing numbers — in all major industries.

This includes small increases in Retail and in Personal & Household services, as well as in Manufacturing and Construction. Growth is especially fast in some of today's higher-knowledge areas — in particular, Health & Social Services and Business Services.

The KBE offers great opportunities, and women are taking advantage.





* Includes utilities.
** Includes machinery & equipment rental and leasing, photographers, services to buildings and travel.
Source: Census of Canada, 1991 and 1996

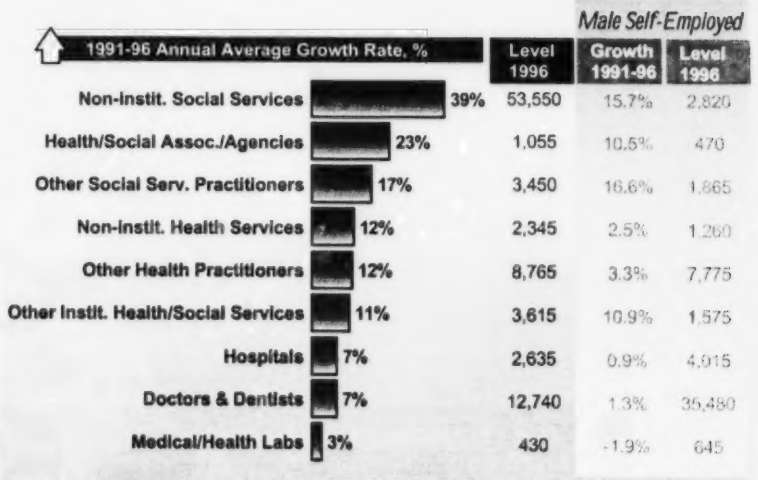
...particularly in Health & Social Services...

The jump in self-employment in Health & Social Services reflects, to some degree, the continuing commercialization of some key social services, such as day-care and child-care.

But enterprising women are also opening their own offices as health practitioners (chiropractors, physiotherapists and optometrists), and social service practitioners (psychologists and social workers).

Women are more prevalent among the self-employed in the Health & Social field — and are growing at a quicker pace.

Female Self-Employed in Health & Social Services


1991-96 Annual Average Growth Rate, %
Non-Instit. Social Services 39%
Health/Social Assoc./Agencies 23%
Other Social Serv. Practitioners 17%
Non-Instit. Health Services 12%
Other Health Practitioners 12%
Other Instit. Health/Social Services 11%
Hospitals 7%
Doctors & Dentists 7%
Medical/Health Labs 3%

	Female Self-Employed		Male Self-Employed	
	Level 1996	Growth 1991-96	Growth 1991-96	Level 1996
Non-Instit. Social Services	53,550	15.7%	2,820	
Health/Social Assoc./Agencies	1,055	10.5%	470	
Other Social Serv. Practitioners	3,450	16.6%	1,865	
Non-Instit. Health Services	2,345	2.5%	1,260	
Other Health Practitioners	8,765	3.3%	7,775	
Other Instit. Health/Social Services	3,615	10.9%	1,575	
Hospitals	2,635	0.9%	4,915	
Doctors & Dentists	12,740	1.3%	35,480	
Medical/Health Labs	430	-1.9%	645	

Source: Census of Canada, 1991 and 1996

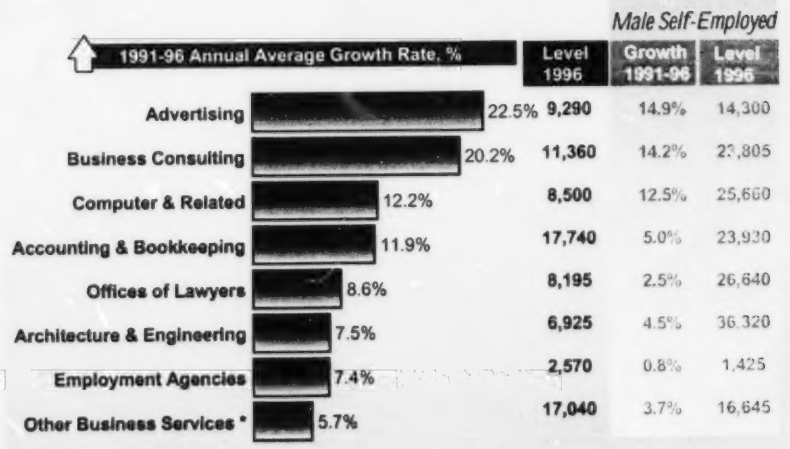
...and in Business Services

Women are also entering quickly the field of Business Services as entrepreneurs:

- **Growth has been fastest in advertising and in business consulting, but is also significant in many other specialities (i.e. computer services).**

Thousands of small businesses and individuals are starting specialized business services. And while self-employed men still outnumber self-employed women, the number of women is growing at a quicker pace in all fields.

Women Self-Employed in Business Services



	Male Self-Employed		
	Level 1996	Growth 1991-96	Level 1996
Advertising	9,290	14.9%	14,300
Business Consulting	11,360	14.2%	23,805
Computer & Related	8,500	12.5%	25,660
Accounting & Bookkeeping	17,740	5.0%	23,930
Offices of Lawyers	8,195	2.5%	26,640
Architecture & Engineering	6,925	4.5%	36,320
Employment Agencies	2,570	0.8%	1,425
Other Business Services *	17,040	3.7%	16,645

* Includes Security & Investigation, Credit Bureaus, Collection Agencies, Customs Brokers.
Source: Census of Canada, 1991 and 1996

Recent characteristics & trends

What's behind the growth in women's entrepreneurship?

Women entrepreneurs are drawn by many positive aspects of self-employment.

And they are drawn by expanding opportunities in the KBE. Many of these opportunities are in home-based activities.

The nature of female self-employment is changing.

Three key reasons —

- Desire for independence, working at home and schedule flexibility.
- New technologies provide new opportunities for people to work for themselves, even from home.
- Rise in importance of knowledge. Women play an important role in the more knowledge-intensive services, which are growing quickly.

<u>Together</u>, these are changing the nature of female self-employment.

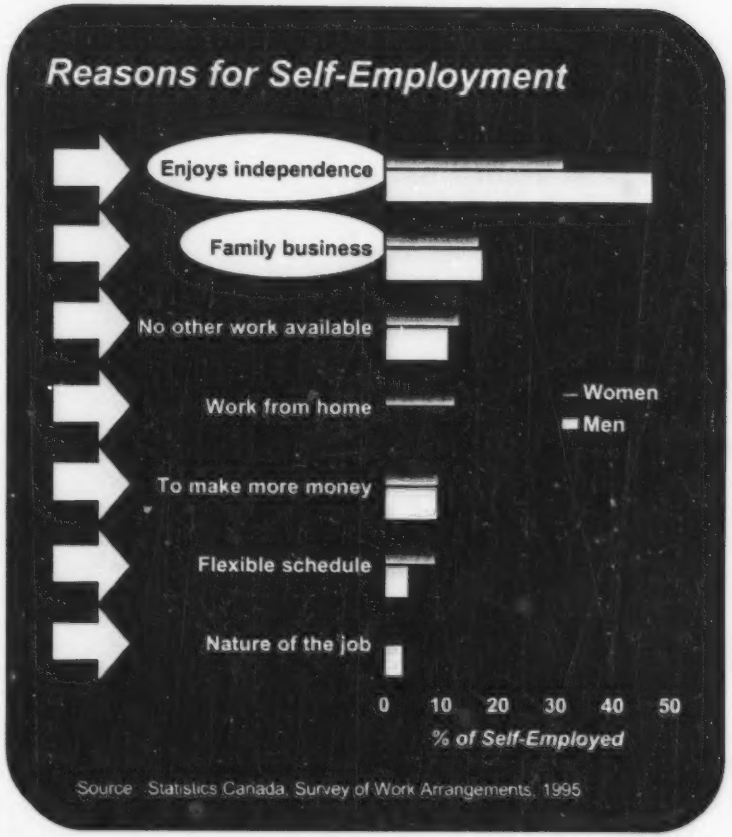
Independence and existence of a family business are top reasons!

At the top of the list of reasons for self-employment, for both men and women, are independence and the prior existence of a family business.

- **Many women and men report finding themselves "pushed" into business ownership because other work was not available.**

<u>However</u>, working from home and having a more flexible schedule are also among the key reasons. These are given relatively more importance by women business-owners.

Working one's own schedule and building a career around other life responsibilities are pluses for many self-employed women.



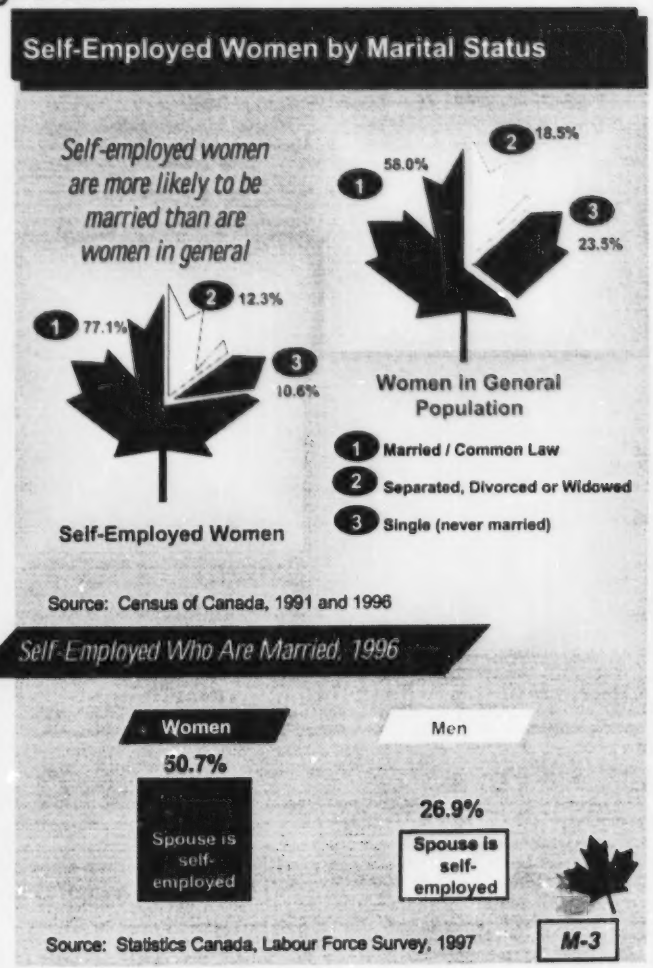
While entrepreneurship can be a family trait...

A family business is often a starting point for many entrepreneurs.

Entrepreneurial activity is also frequently a common pursuit of married companions.

- **It is noteworthy, that the vast majority of women who are self-employed are married.†**

A little over half of all married women who are self-employed have a self-employed spouse — many in the same business.



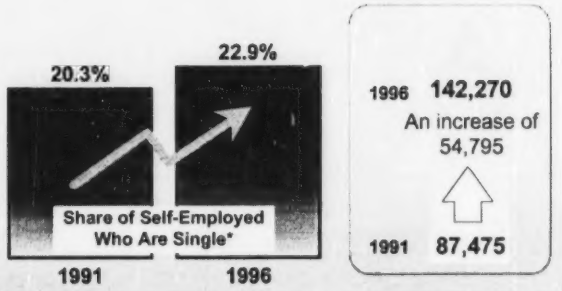
† Includes common law relationships

...entrepreneurial life is broadening in appeal...

A noticeably growing number of the newly self-employed are single women, starting <u>new</u> businesses.

The number of self-employed women who are single rose 62.6% between 1991 and 1996. This compares to 33.7% for men.

A rising proportion of self-employed women are single*!

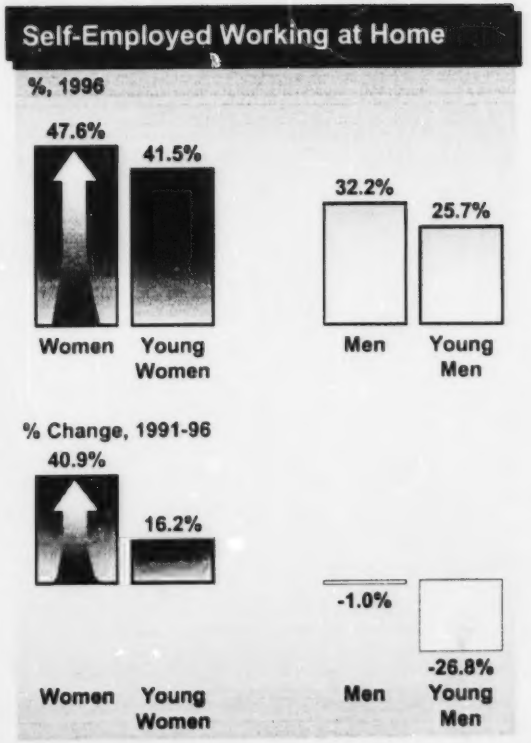


* Women who have never married or who are separated, divorced or widowed.
Source: Census of Canada, 1991 and 1996

...with <u>more</u> women able to start <u>new</u> businesses in the home...

Less-expensive computers and related technology have cut the cost of running small, home-based businesses in a wide range of activities.

More women than men usually work at home, and the gap is widening.



Source: Census of Canada, 1991 and 1996

...including Business Services

A fast-emerging area of home-based entrepreneurial activity is in services to business.

This is one area where newer technologies are especially helpful — supporting self-employment in quite knowledge-based activities, even from the home.

Over half of all self-employed women who work in Business Services operate their businesses from their homes.

Self-Employed in Business Services Who Work at Home

% Change, 1991-96

Women		Young Women
79.1%		47.3%
43.1%		61.2%
210.4%	Advertising	215.8%
148.0%	Business Consulting	193.8%
108.9%	Lawyers & Notaries	52.6%
97.0%	Computer Services	36.5%
85.0%	Employment Agencies	66.7%
72.2%	Accounting	22.8%
49.0%	Architects & Engineering	4.1%

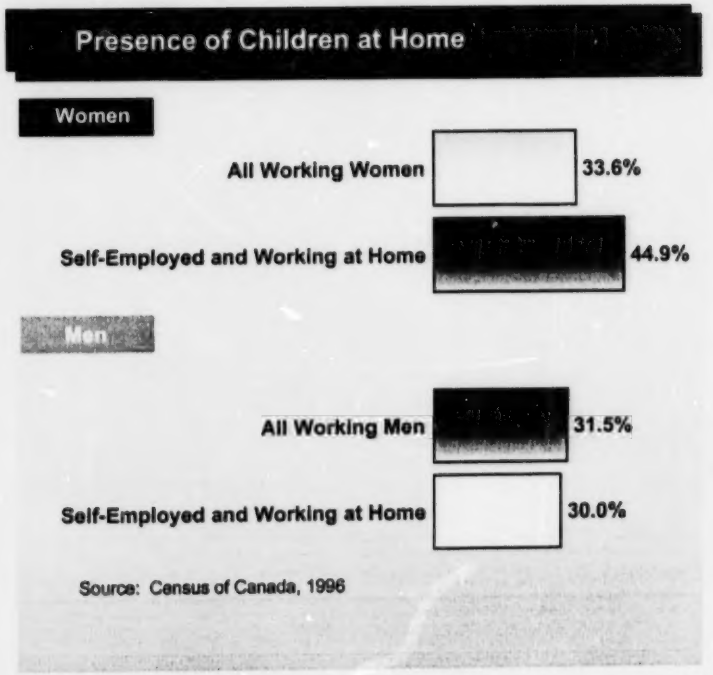
Source: Census of Canada, 1991 and 1996

Many can combine work and family responsibilities...

Women more often feel the pressure to balance family with their job, and can use self-employment as a useful option.

- **Among working men and women with children, women show a much higher tendency to be self-employed and operate a home business.**

For many, balancing work and family is a pressing problem. Home-based self-employment is sometimes a solution.

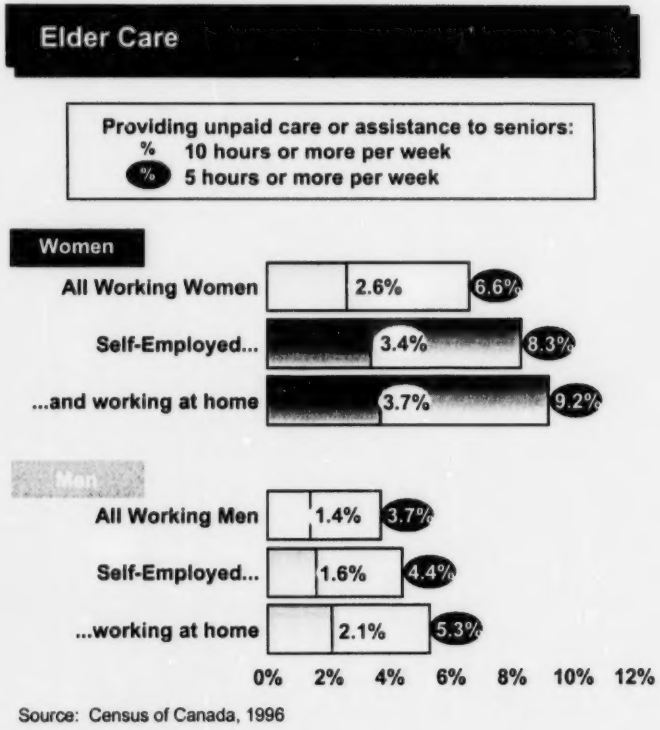


...which may increasingly include caring for the elderly

A small but increasing trend among home-entrepreneurs is caring for elderly family members.

Self-employed women working at home show the highest incidence of providing unpaid care or assistance to seniors.

Caring for the elderly is an increasing concern for working people — especially for working women.



Source: Census of Canada, 1996

Many are also recent Canadians...

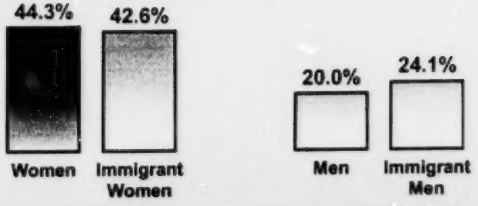
A significant percentage of Canada's entrepreneurs are immigrants.

Similar to the Canadian born population, the number of self-employed immigrants who are women has also been growing.

More than 1 in 5 of Canada's self-employed are new Canadians!

Self-Employed Who Are Immigrants

Growth in Self-Employed, 1991-96



	Women	Immigrant Women	Men	Immigrant Men
Net Increase, 1991-96	190,780	42,325	211,265	58,155
Total, 1996	621,085	141,165	1,268,895	299,125

Source: Census of Canada, 1991 and 1996

...who are contributing to higher-knowledge fields

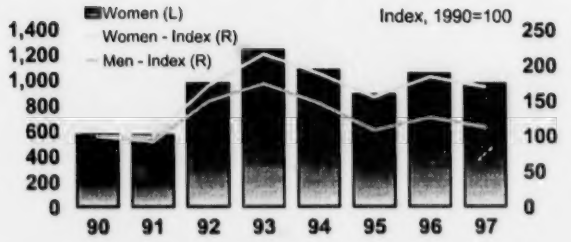
Many immigrants have arrived under the federal government's Business Immigrants program.

- **Women business immigrants have been increasing faster than men.**

And on the whole, business immigrants seem well prepared for the KBE. Immigrants are arriving in Canada with increasingly higher education levels.

Nearly 34% of immigrants aged 25 to 44 who arrived in Canada between 1991 and 1996 had completed university. This compares to 19% for the Canadian-born population in the same age group.

Women Business Immigrants



Women entrepreneurs, investors and self-employed persons coming into Canada under the Business Immigrant Program of Citizenship and Immigration Canada.
Source: Citizenship and Immigration Canada

% University Graduates

Population aged 25-44

	Total	Male	Female
Canadian Born	**19.3%**	**18.6%**	**20.0%**
Recent Immigrants (arrived 1991-1996)	**33.7%**	**36.4%**	**31.4%**

Source: Census of Canada, 1996

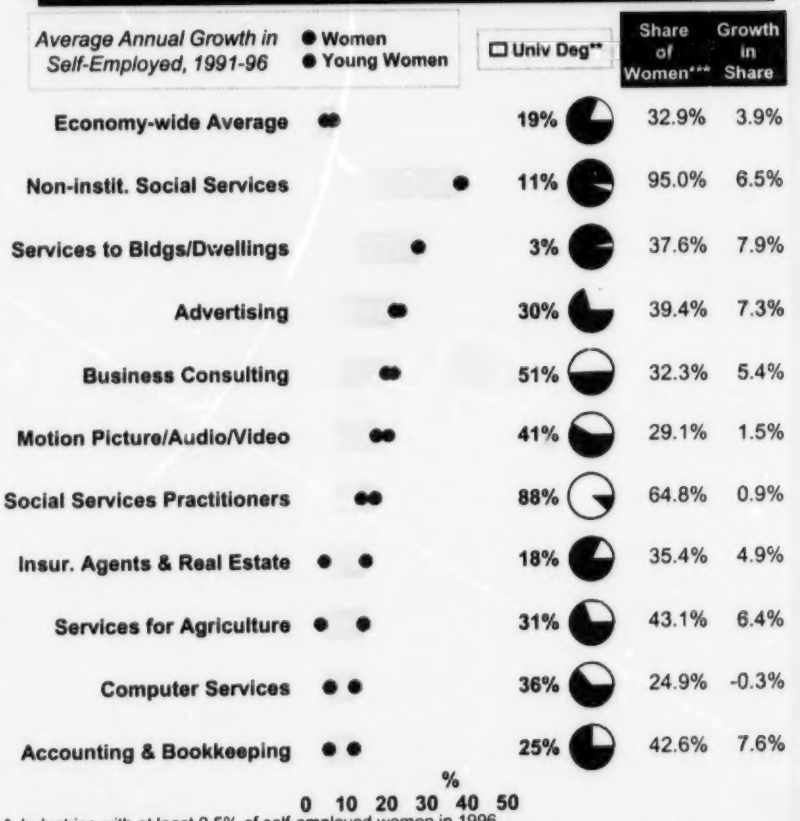
The rising importance of knowledge is sparking change...

Fast-growing areas for women's self-employment include several industries associated with higher education levels.

- **Women are comprising a growing percentage of total self-employed in most of these industries.**

Rising educational requirements are a distinguishing feature of a knowledge-based economy, which increasingly includes entrepreneurial life .

Top 10 List — Fastest-Growing Industries* for Female Self-Employed, 1991-96


Average Annual Growth in Self-Employed, 1991-96
Women
Young Women
Univ Deg**
Share of Women***
Growth in Share
Economy-wide Average 19% 32.9% 3.9%
Non-instit. Social Services 11% 95.0% 6.5%
Services to Bldgs/Dwellings 3% 37.6% 7.9%
Advertising 30% 39.4% 7.3%
Business Consulting 51% 32.3% 5.4%
Motion Picture/Audio/Video 41% 29.1% 1.5%
Social Services Practitioners 88% 64.8% 0.9%
Insur. Agents & Real Estate 18% 35.4% 4.9%
Services for Agriculture 31% 43.1% 6.4%
Computer Services 36% 24.9% -0.3%
Accounting & Bookkeeping 25% 42.6% 7.6%
%
0 10 20 30 40 50

* Industries with at least 0.5% of self-employed women in 1996
** Self-employed women with university education as a percentage of self-employed women
*** Self-employed women as a percentage of total self-employed
Source: Census of Canada, 1991 and 1996

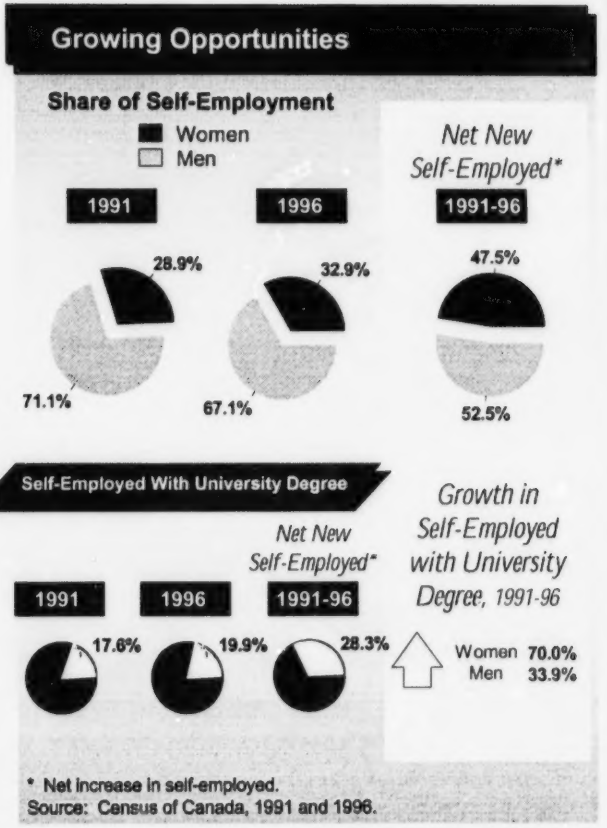
M-11

...and opportunities...

More recent entrepreneurial activities show a higher incidence of university education among self-employed owners.

And among self-employed owners with university degrees, the number of women has been rising much more quickly than the number of men.

Women are taking advantage of opportunities made available in the KBE to contribute a larger share of new businesses, especially in higher knowledge endeavors.



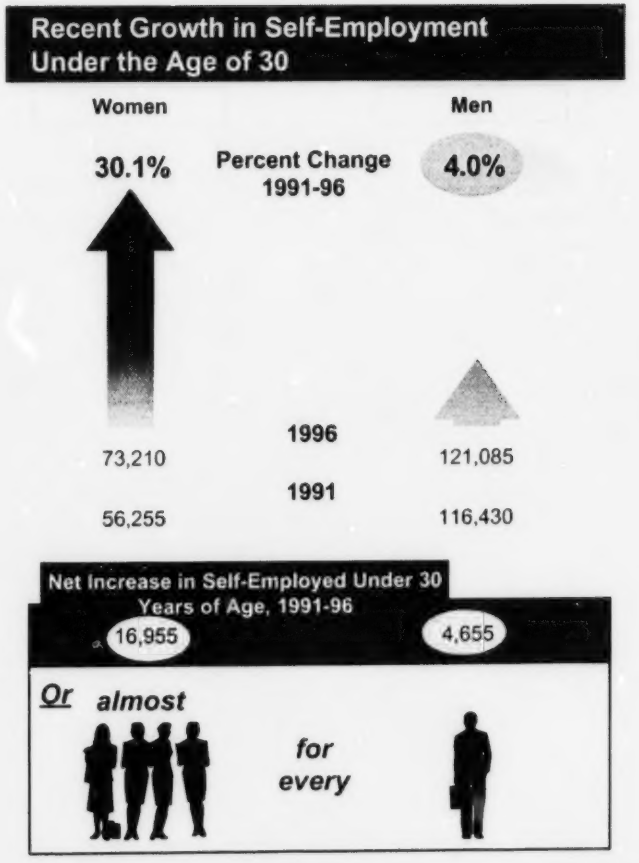
...especially for young women...

Young women are part of this rapid rise in entrepreneurship.

The number of young self-employed women, who are under 30 years of age, rose 30% between 1991 and 1996.

- **This compares to a mere 4% increase for young men.**

Almost four out of every five businesses started by individuals under 30 years of age are started by women.

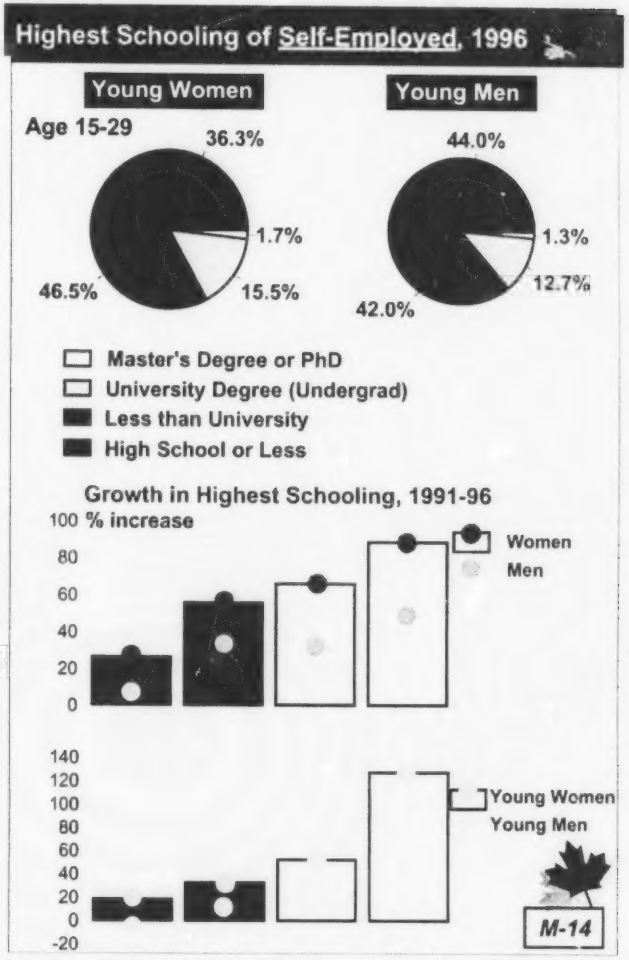


Source: Census of Canada, 1991 and 1996

...perhaps because they are in a good position to benefit from the KBE

Young women have been more quick to use their education to their advantage in their entrepreneurial life.

Young women who enter self-employment during the 1990s have generally been more educated and more career-oriented.



Source: Census of Canada, 1996

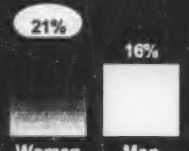
Fast -growing areas involve higher education...

In the fastest growing areas of female self-employment, the number of women with advanced education is also rising — more quickly than for the overall economy and more quickly than for men.

University Degree Holders, 1996

Population aged 20-29

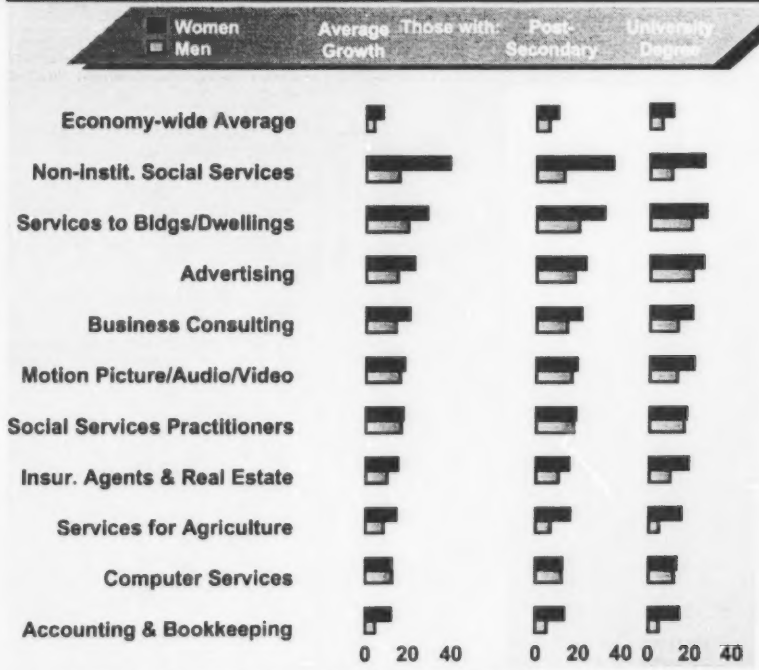
21% of women age 20-29 hold university degrees. Commerce, Science and engineering are increasingly popular.



Percent Who Are Women	University	Trades & Other Non University
Education & Recreation	56.4%	83.5%
Fine & Applied Arts	73.4%	76.9%
Humanities	65.5%	58.5%
Social Sciences	62.9%	57.9%
Commerce	50.1%	74.9%
Agricultural/ Biological	58.3%	46.7%
Engineering & Applied Sciences	21.9%	12.8%
Health Professions	71.7%	84.6%
Math & Physical Sciences	36.3%	44.1%
All Other	50.9%	52.1%

Source Census of Canada 1996

Top 10 List — *Fastest-Growing Industries for Female Self-Employed, Showing Growth By Education,* 1991-96*



* Growth in self-employed in these industries, by education level

Source: Census of Canada, 1996

...as do areas traditionally requiring less formal education

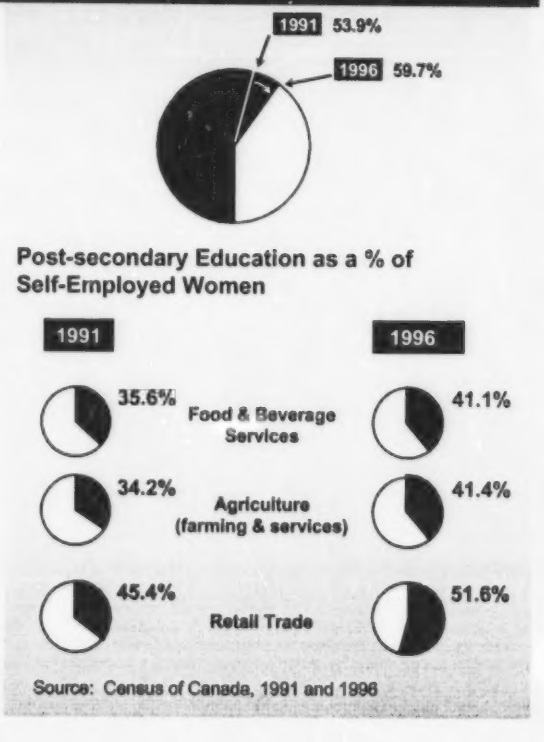
Recent entrepreneurial activities show higher incidences of higher education.

Part of the KBE phenomenon is the need for broader, deeper and more extensive skill sets.

Plus, as computers become more powerful and easier to use, more nontechnical fields are affected, creating new opportunities for the better educated.

All industries are becoming more knowledge-intensive, in terms of rising education and skill requirements. Eg. In agriculture, more knowledge is embodied in machinery and techniques involving chemicals, fertilizers and best crop varieties.

Growth in Self-Employed Women with Post-secondary Education, 1991-96



Self-employed women are shifting to higher-knowledge activities!

Within industry groups, there is also a shifting by women entrepreneurs into segments requiring higher education.

Women entrepreneurs are "climbing the ladder" within broad industry classes, growing more quickly in those segments which rely on and use knowledge more intensely.

Growth Within Industry Groups
Self-Employed Women, 1991-96

	With Univ. Deg., 1996	Increase 1991-96
Services to Agriculture	31.3%	95.6%
Agriculture	7.9%	-1.5%
Wholesale Trade	14.5%	48.5%
Retail Trade	11.5%	22.3%
Business Consulting	33.8%	151.3%
Accounting & Bookkeeping	24.8%	75.8%
Motion Pictures/Audio/Video	41.5%	126.6%
Amusement & Recreation	29.2%	49.4%

Source: Census of Canada, 1991 and 1996

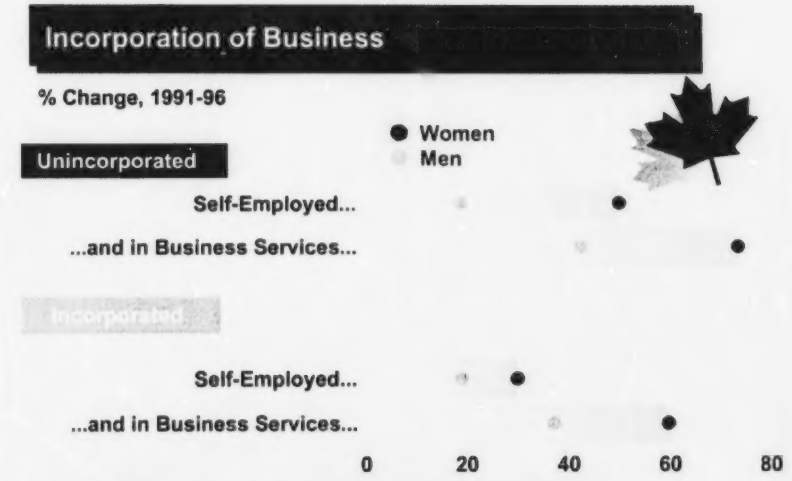
And we are seeing more incorporations...

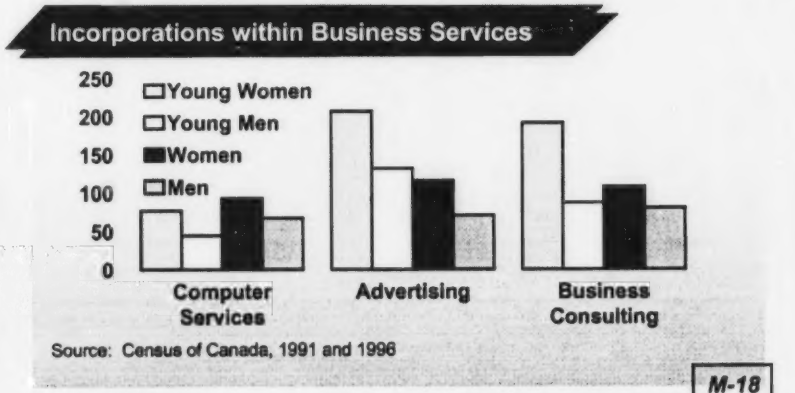
Self-employment typically begins with an unincorporated business. However, female incorporated businesses are also growing fast — especially in business services.

- **For women 30 years of age and over, incorporations in Business Services have increased 77% between 1991-96.**

Young women show a relatively high rate of incorporation in three business services areas — advertising, computer services and business consulting.

The changing nature of self-employment is resulting in more incorporations.





Source: Census of Canada, 1991 and 1996

...more hiring...

About one in three women who are self-employed also employ one or more workers.

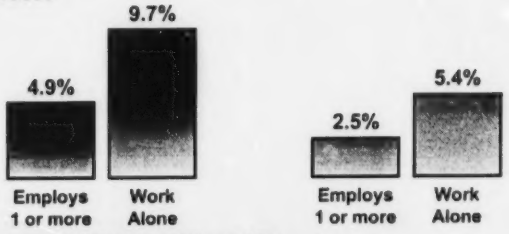
- **This is a smaller proportion than for self-employed men — but the number of self-employed female employers is growing faster.**

Among the self-employed who hire, most hire under five employees, with a higher proportion of female self-employed hiring <u>only one</u> worker.

Most self-employed people, especially those starting out, work entirely on their own. However, as their businesses grow, many begin to employ others.

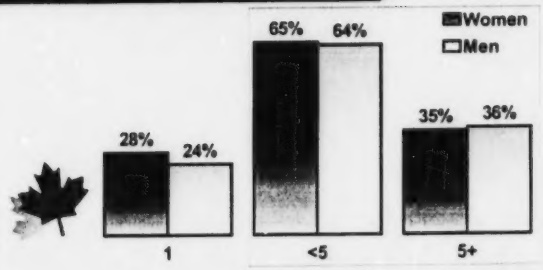
Self-Employed Who Are Employers

Growth in Self-Employed, 1991-96
% Increase



Source: Census of Canada, 1991 and 1996

Self-Employed Employers by Size



Source: Statistics Canada, 1995 Survey of Work Arrangements

...more female self-employed pursuing year-round, full-time activities...

The number of female self-employed working full-time or full year is growing fast — at two to three times the rate for men.

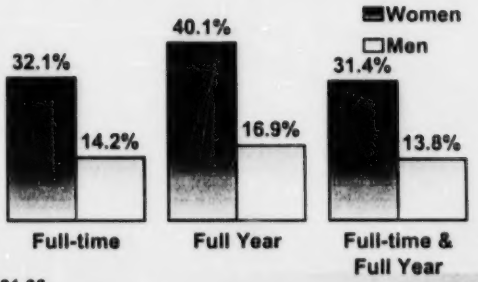
However, there is still a smaller proportion of women entrepreneurs who work full-time or full year.

- **Barely half of all self-employed women work full-time and full year.**

Fewer self-employed women than men are working full-time and full-year, but their numbers are rising fast.

Full-time, Full Year Self-Employment*

% Change, 1991-96



	Full-time	Full Year	Full-time & Full Year
Increase, 1991-96			
Women	92,525	128,720	77,640
Men	130,345	143,825	109,875
Numbers in 1996			
Women	380,880	449,775	324,894
Men	1,048,240	994,295	906,445

1996 Incidence of Full-time, Full Year Among Self-Employed

Women	**61.3%**	**72.4%**	**52.3%**
Men	**82.6%**	**78.4%**	**71.4%**

* Full-time is 30+ hours per week
Full year is 40+ weeks per year, full-time or part-time
Source: Census of Canada, 1991 and 1996

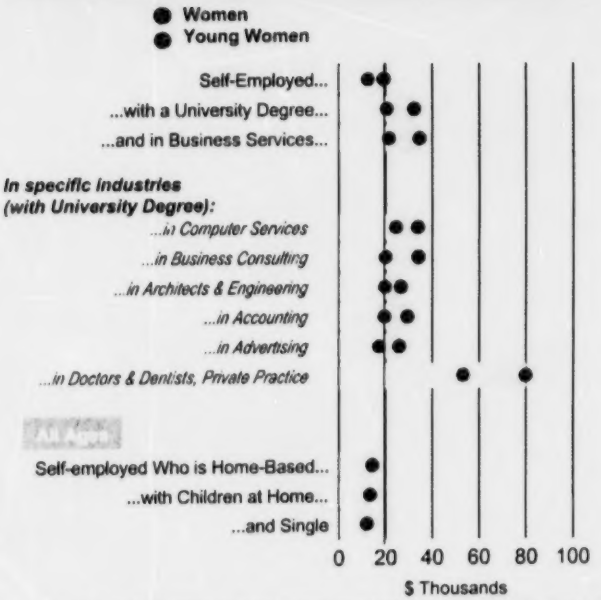
...and more female self-employed earning higher incomes...

Average earnings in many of the industries in which young women are making fast in-roads, are higher.

On the other hand, average incomes remain particularly low for women in certain situations; women who are lone-parents, those working at home, and younger women tend to earn lower incomes.

Young women who are self-employed within higher-knowledge industries make more income.

Average Earnings of Self-Employed, 1995 *



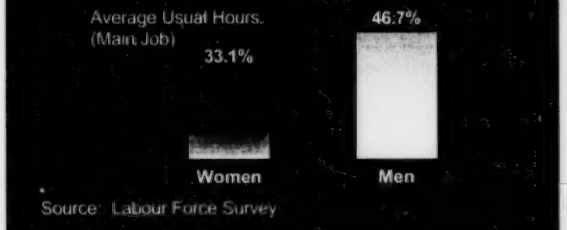
* Average earnings refers to total income received during the 1995 calendar year as net income from non-farm unincorporated business and/or professional practice and net farm self-employment income, wages & salaries.
Source: Census of Canada, 1996

...although they are still much lower than for male self-employed

Self-employed women still make on average lower earnings than self-employed men.

Although self-employed women earn more in higher-knowledge industries, their incomes still are less than for men.

Partially the lower wages are due to less hours worked. Self-employed women typically work fewer hours. This is true across all major industries.



Source: Labour Force Survey

In 1997, self-employed women worked on average about 1/3rd fewer hours per week.

*Average Earnings of Self-Employed, 1995 **

	Young Women	Women	Young Men	Men
Average Earnings		$19,156		$33,628
...With University Degree	$20,219	$32,163	$25,656	$60,598
Full-time and Full Year	—	$25,552	—	$40,043
With University Degree:				
Business Services	$21,152	$34,589	$25,762	$60,998
Business Consulting	$19,828	$34,123	$24,800	$53,607
Computer Services	$24,298	$33,870	$27,817	$42,629
Architects & Engineering	$19,551	$26,432	$24,838	$43,931
Accounting	$19,302	$29,430	$26,918	$67,820
Advertising	$16,868	$25,802	$16,281	$36,178
Health & Social Services				
Doctors & Dentists	$52,897	$79,800	$73,574	$121,486
Other Health Practitioners**	$32,133	$35,737	$33,016	$59,597
Non-institutional Social Services	$9,944	$13,415	$19,165	$34,736

* Average earnings refers to total income received during the 1995 calendar year as net income from non-farm unincorporated business and/or professional practice and net farm self-employment income, wages & salaries.
** Includes Chiropractors, Nurses, Dietitians, Physiotherapists, Optometrists.
Source: Census of Canada, 1996

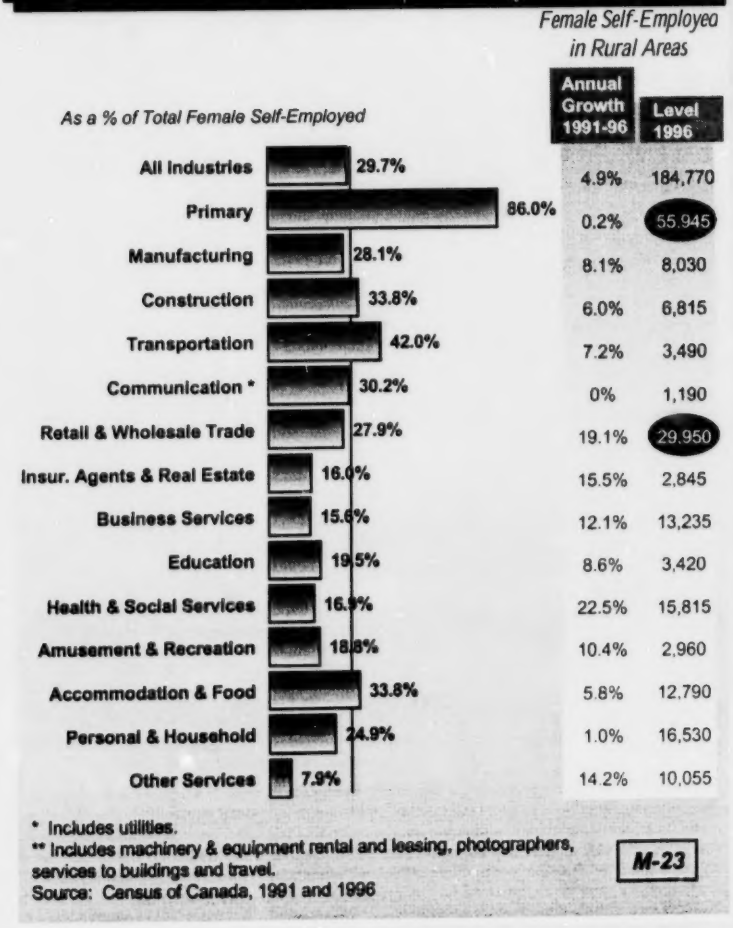
Self-employed women are also increasing in rural areas...

It is noteworthy that self-employed women's contribution in rural areas is also growing.

The largest areas include Primary (agriculture) and Trade, but Health & Social Services is increasing fast.

In 1996, about one-third of all self-employed, and 30% of all female self-employed, worked in rural areas.

Female Self-Employed in Rural Areas, 1996


Female Self-Employed in Rural Areas
As a % of Total Female Self-Employed
Annual Growth 1991-96
Level 1996
All Industries 29.7% 4.9% 184,770
Primary 86.0% 0.2% 55,945
Manufacturing 28.1% 8.1% 8,030
Construction 33.8% 6.0% 6,815
Transportation 42.0% 7.2% 3,490
Communication * 30.2% 0% 1,190
Retail & Wholesale Trade 27.9% 19.1% 29,950
Insur. Agents & Real Estate 16.0% 15.5% 2,845
Business Services 15.6% 12.1% 13,235
Education 19.5% 8.6% 3,420
Health & Social Services 16.9% 22.5% 15,815
Amusement & Recreation 18.8% 10.4% 2,960
Accommodation & Food 33.8% 5.8% 12,790
Personal & Household 24.9% 1.0% 16,530
Other Services 7.9% 14.2% 10,055
* Includes utilities.
** Includes machinery & equipment rental and leasing, photographers, services to buildings and travel.
Source: Census of Canada, 1991 and 1996
M-23

...and contributing to the viability and KBE in small communities

Key areas of female entrepreneurship in rural areas include restaurants, recreation, bookkeeping and accounting — all necessary for the continued vitality of many small communities.

But women are also contributing increasingly in diverse professional areas such as lawyers, doctors and business consultants — all essential to rural Canada's future in the KBE.

Since knowledge is increasingly essential to making our economy successful, it is vital that the KBE becomes a key and integral part of every part of Canada.

Rural Growth in Self-Employed

1991-96

	Young Women	Women	Men	Net Increase Women	Net Increase Men
Growth in self-employed					
Food & Beverage	2.5%	5.9%	4.4%	2,095	1,315
Accounting & Bookkeeping	1.5%	13.4%	4.1%	1,830	545
Advertising	18.1%	22.4%	15.3%	805	875
Amusement & Recreation	15.3%	10.4%	9.6%	1,155	1,685
Growth in self-employed with university degrees					
Architects & Engineers	17.6%	20.8%	5.9%	315	680
Lawyers & Notaries	21.7%	10.6%	1.6%	255	185
Doctors & Dentists	-1.1%	4.3%	-0.8%	230	-205
Other Health Practitioners	8.4%	15.3%	1.2%	395	45
Business Consultants	22.4%	20.5%	13.1%	425	615

0 20 40

Source: Census of Canada, 1991-96

Keys to future success

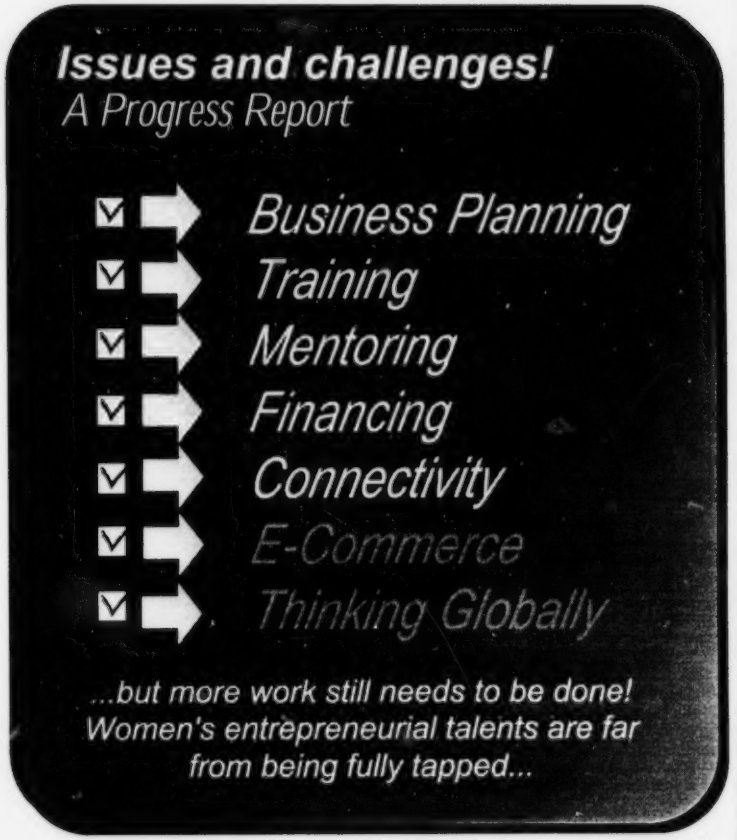
Opportunities and challenges in the KBE!

While the KBE provides great opportunities for women, there are still questions of access —

> ***Do women setting out on their own escape the glass ceiling at peril of being caught in a glass box, unable to take full advantage of all opportunities?***

In the KBE, it becomes paramount that all entrepreneurs take advantage of business planning, training and new technologies. In the future, entrepreneurs will find they must continually seek to improve their products and services — e.g. by keeping informed, by acquiring funding for growth, by finding mentors, and by expanding into new markets.

The KBE may make it easier to start new initiatives, but it also heightens the urgency that diverse challenges be addressed — some of which have a unique impact on women entrepreneurs.



Business planning is an imperative!

In the KBE, a clear sense of business goals and objectives becomes critical — even for small businesses.

A formal business plan can help prepare small businesses for challenges they commonly encounter in the KBE — including choosing the best structure for business, and finding out how best to protect ideas and inventive creations.

Women have demonstrated a strong entrepreneurial spirit — but multiple-roles and time constraints may be hindering their businesses' expansion.

Keys to future success

The Women's Business Owners of Canada (WBOC) has recently released findings from a national survey, which showed women are 25 per cent less likely than men to have written a formal business plan before starting their business.

The WBOC is a new organization which was facilitated in its development by Industry Canada. As well, the Atlantic Canada Opportunities Agency, the Canada Economic Development for Quebec Regions (Small Business Idea Program), Fednor (Resource Centre for Business Counselling Service for Women Entrepreneurs) and Western Diversification (providing funding for Women's Enterprise Centres) are helping to support the entrepreneurial potential of women.

Also "continual" training...

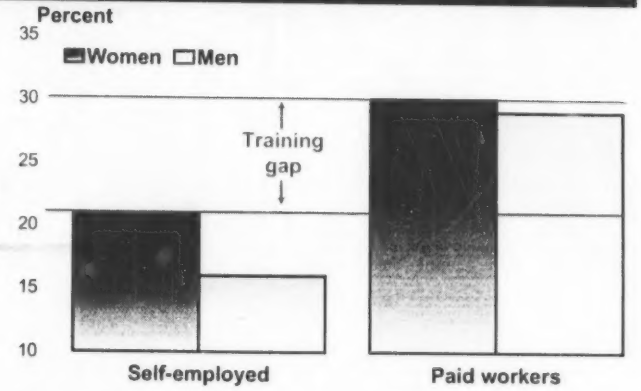
Self-employed women are less likely to participate in job-related education and training than women working in paid jobs — however, the "training gap" is much bigger for men.

Reasons why the self-employed are less likely to participate in training include:

- **Entrepreneurs often face concurrent demands on their time;**
- **An inability to spread training costs over many workers like larger firms can; and**
- **Lack of information about available training courses.**

Knowledge and skills are the currency of success in the KBE — it is important that access to training continues to improve.

Participation rates in job-related education and training, 1993



Source: Statistics Canada, Adult Education and Training Survey, 1993

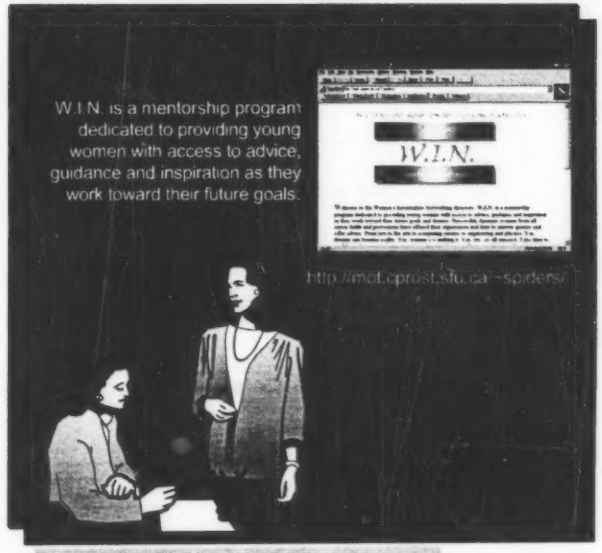
Keys to future success

Special approaches to assist in the different situations of women could include less formal, experience-based training, and more opportunities to learn from and be helped/mentored by other women. The BDC offers opportunities for training and networking designed specifically to the needs and circumstances of women entrepreneurs. These programs are delivered in partnership with the regional agencies and the provinces. Réseau des femmes d'affaires du Québec will be responsible for managing some of BDC's training programs in Quebec.

...and mentoring

A goal of the Women's Business Owners of Canada (WBOC) is to provide a national link for all groups across Canada and to help them co-ordinate their efforts — which includes finding mentors for young women entrepreneurs.

Mentoring is an integral aspect to the success of small businesses.


W.I.N. is a mentorship program dedicated to providing young women with access to advice, guidance and inspiration as they work toward their future goals.
W.I.N.
http://mat.cprost.sfu.ca/~spiders/

Keys to Future success

Young people often lack the experience and personal contacts which are helpful for success. The WBOC reports that women are more likely than men to have a mentor.

WBOC-FPEC

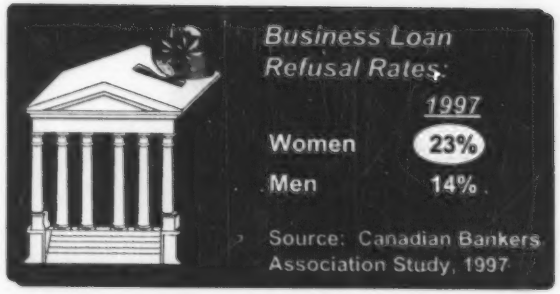
In the KBE, access to financing is a growing priority

The budgets of very small businesses are tight — finding money for market research, advertising, and public relations can be difficult.

- **Almost 42% of self-employed women voiced concerns about their access to financing in (CFIB study, 1994).**

Indeed, a 1997 study by the Canadian Bankers Association found that financial institutions tend to refuse more loan applications from women entrepreneurs.

- **Sectors such as the hotel, food and beverage, and retail sectors have lower than average approval rates — women are still highly concentrated in these sectors, despite their recent inroads into higher-knowledge sectors.**



Keys to future success

Through BDC women entrepreneurs can apply for loans up to $25,000 for start-ups and up to $100,000 for expansion. As well, the Atlantic Canada Opportunities Agency provides loan guarantees and business support to low income women entrepreneurs. In Northern Ontario, FedNor has established borrowing and peer micro-lending circles. Western Economic Diversification funds Women's Enterprise Centres to help women access services — including those related to the financing gap.

The business world is increasingly "computerized"...

A large majority of women entrepreneurs already use computers, although more men business-owners have computers.

However, computers are becoming much more affordable. Because they are today quite critical to accessing and using knowledge, regardless of the field of endeavor, their use will continue to rise.

Moreover, computers are the launchpad for the Internet, an indispensable tool for home-based activities.

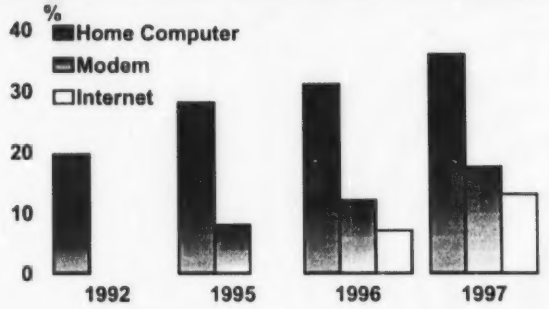
A 1994 study by the CFIB on businesses and technology indicated that fewer female than male entrepreneurs had a computer (70.1% versus 81.3%). However, women are becoming more familiar with technology and it may be assumed that the rate at which self-employed women are adopting new technologies will continue to rise over the next few years.

...laying the groundwork for electronic commerce

For businesswomen, especially those involved in home businesses, the potential benefits of electronic commerce are great.

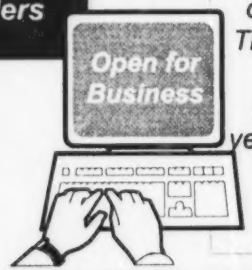
- **More and more households have Internet. A Statistics Canada survey done in May 1997 showed 13% of households connected to the Internet, up from seven percent in 1996. Internet use rises with education level.**

Computers in Canadian Households



Source: Statistics Canada, 1997

Businesswomen can use the Internet as a tool for sales, research and communication — even across borders



Keys to future success

In the U.S., the National Foundation for Women Business Owners and IBM report that women entrepreneurs are leading the way in using the Internet as a powerful tool to pursue new business strategies, evaluate the competition, recruit qualified executives, and take their firms global. The share of women business-owners in the U.S. that have established a home page for their business in 1997 has tripled from the previous year, and now 23% have a home page, compared to 16% of men business owners.

NFWBO The National Foundation for Women Business Owners

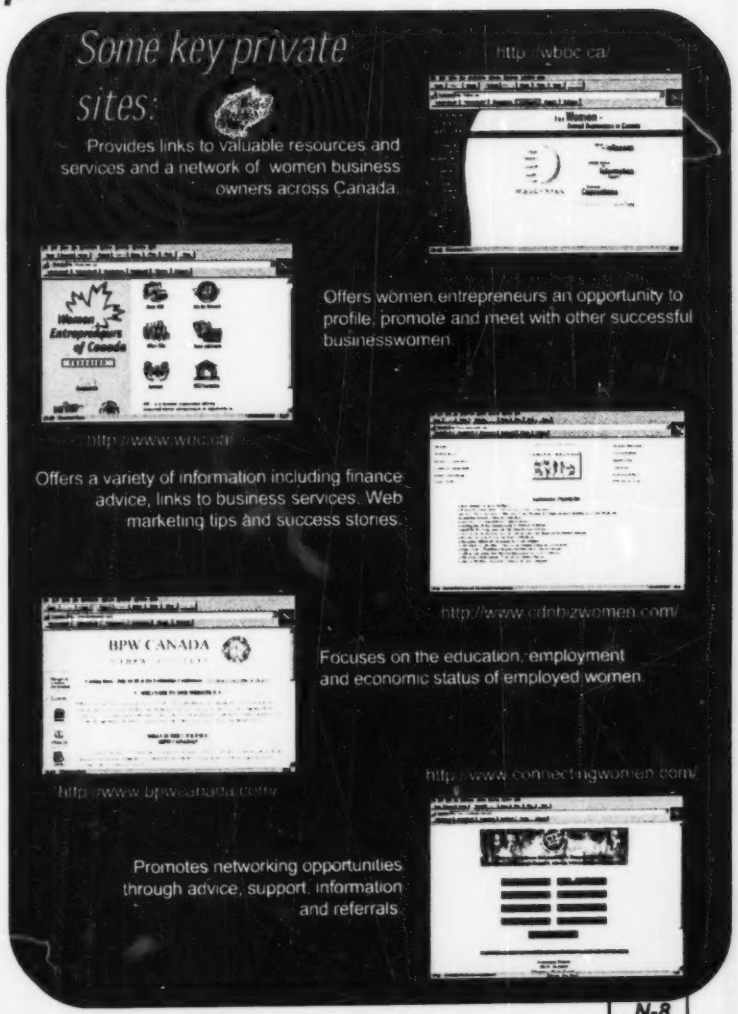
Connectivity can help women entrepreneurs...

Connectedness is also an answer to some of the time crunch businesswomen face.

"Connected" businesswomen can quickly access a variety of useful information — on training courses, assistance programs, research and more.

Keys to future success

There is a "world" of business information available — but to access it, businesses must be "connected".


Some key private sites:
http://wboc.ca/
Provides links to valuable resources and services and a network of women business owners across Canada.
Offers women entrepreneurs an opportunity to profile, promote and meet with other successful businesswomen.
http://www.wec.ca/
Offers a variety of information including finance advice, links to business services, Web marketing tips and success stories.
http://www.cdnbizwomen.com/
BPW CANADA
Focuses on the education, employment and economic status of employed women.
http://www.bpwcanada.com/
http://www.connectingwomen.com/
Promotes networking opportunities through advice, support, information and referrals.

...and ease access to knowledge and assistance from governments

Businesswomen no longer need to make the rounds of federal, provincial and local governments and board of trade or chamber of commerce to find crucial information about services and programs.

Industry Canada provides comprehensive business information via Strategis and the many Business Service Centres across Canada.

Strategis

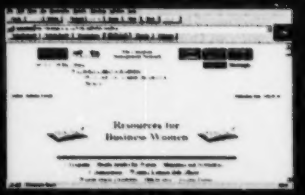
CSEC

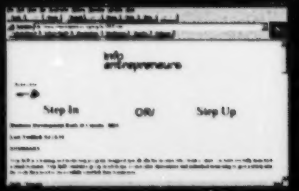
CBSC

http://strategis.ic.gc.ca/SSG/mi05452e.html

Some key government sites:

Women's information resources of Industry Canada, is designed to encourage women entrepreneurship.

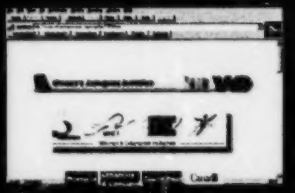




Two Business Development Bank of Canada programs: Step In — To learn about business and how to create a plan. Step Up — Training program for women who want to expand their small business.

For Step In, http://www.infoentrepreneurs.org/eng/bis/1970.html
For Step Up, http://www.infoentrepreneurs.org/eng/bis/1969.html

The Women's Enterprise Initiative provides business information and services specifically aimed at women entrepreneurs. It is funded through a contribution by Western Diversification.



http://www.wd.gc.ca/eng/content/network/index.html

Keys to future success

Web-sites include the Business Development Bank of Canada's "Step-in" and "Step up" programs (helping women start their own businesses and providing counselling, networking and mentoring to help them to expand business operations).

It's important to think globally...

Growing in the KBE, means considering new markets — including international markets. Changes in communications and technology are helping small firms to go global.

Thanks to the Internet, it is much easier for even very small businesses to learn about potential markets and identify customers and suppliers around the world.

A World of Opportunity — Focussing solely on local markets denies businesses sales.

Looking Abroad...

Keys to future success

The Canadian Women's International Business Initiative provides businesswomen with information and contacts they need to pursue export opportunities in the mid-Atlantic states.

Last November, an all-woman Team Canada trade mission comprised of 120 women business owners went to Washington, D.C.

...if businesswomen are to maximize their opportunities!

Helpful information sources include *ExportSource* and *Team Canada Inc.*'s new toll-free export information line (1-888-811-1119). Some export information services that are tailored to women entrepreneurs include:

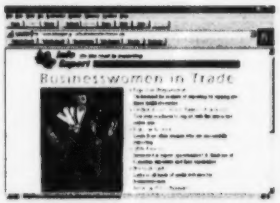
- ***Businesswomen in Trade*** **(a web-site of Foreign Affairs and International Trade);**
- ***Geared for Success*** **(a BDC web-site providing information for women exporters in growth industries).**

Businesswomen can extend their networks and knowledge about local and international markets by participating in trade fairs, trade missions and international meetings.

Keys to future success

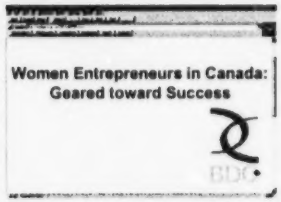
ExportSource

http://exportsource.gc.ca/



Businesswomen in Trade

http://www.infoexport.gc.ca/businesswomen/



Geared for Success

http://strategis.ic.gc.ca/SSG/mi04737e.html

Concluding thoughts

Just the beginning...?

In a world that is constantly changing — in which knowledge is paramount, and virtually every industry is becoming more knowledge-intensive — the recent growth in women's entrepreneurship has been striking! Businesswomen are not only playing a pivotal role, they are becoming a vital force within the economy. But despite their recent successes in entering the business world, their potential remains under-tapped.

How to increase the participation of women in entrepreneurial life?

Self-employed women have been successful entering fast-growing areas in which knowledge requirements are high and/or increasing. Consequently, higher schooling and life-long learning will remain fundamentally important, especially for younger businesswomen interested in confidently competing in the KBE.

But the keys to future success will also center on being innovative and "knowledgeable" of the critical elements of business growth — such as having a business plan, and being "connected" to vital information sources and network/support groups. Recent advances are permitting businesswomen to more easily and quickly access important sources of information and support — freeing them to pursue, to their fullest advantage, their entrepreneurial aspirations, and helping them to shatter the "Glass Box" and instead find entrepreneurship a real and rewarding career option in Canada.

Annexes

Women Entrepreneurs at a Glance, 1996

	Self-Employment	Net Change 1991-96	Working Alone		With Paid Help		Urban	Full-time & Full Year
			Unincorporated	Incorporated	Unincorporated	Incorporated		
			(Percent growth, 1991-96, in italics)					
Canada*	621,085	190,780	354,050	61,890	105,315	99,830	436,320	324,895
		44.3%	*59.9%*	*41.7%*	*24.8%*	*23.5%*	*53.2%*	*31.4%*
BC	106,815	41,315	60,440	10,345	17,765	18,265	80,055	48,805
		63.1%	*85.5%*	*64.3%*	*37.4%*	*33.4%*	*67.0%*	*45.3%*
Alb	79,530	27,415	43,860	9,955	10,855	14,860	53,810	40,990
		52.6%	*61.1%*	*66.9%*	*31.3%*	*39.4%*	*63.5%*	*38.7%*
Sask	29,345	4,235	18,395	2,280	5,030	3,640	14,435	17,035
		16.9%	*15.7%*	*29.9%*	*5.3%*	*35.6%*	*26.7%*	*17.0%*
Man	24,800	6,390	15,165	1,535	4,660	3,440	15,015	13,455
		34.7%	*42.6%*	*30.6%*	*23.4%*	*21.8%*	*48.7%*	*25.1%*
Ont	227,835	71,260	132,145	20,090	40,515	35,085	170,465	120,340
		45.5%	*63.1%*	*34.8%*	*28.3%*	*20.7%*	*54.0%*	*31.1%*
Que	118,090	30,260	63,855	15,615	19,215	19,405	85,310	67,135
		34.5%	*54.8%*	*30.0%*	*12.5%*	*10.9%*	*40.6%*	*23.0%*
NB	10,410	3,495	6,310	600	1,965	1,535	5,090	5,290
		50.5%	*83.2%*	*11.1%*	*19.8%*	*19.0%*	*60.8%*	*48.2%*
NS	13,950	4,255	8,360	800	2,870	1,920	6,980	6,925
		43.9%	*66.9%*	*27.0%*	*23.4%*	*11.0%*	*54.6%*	*41.3%*
PEI	2,435	545	1,345	115	610	365	1,015	1,075
		28.8%	*22.3%*	*187.5%*	*27.1%*	*35.2%*	*67.8%*	*10.3%*
Nfld	6,020	1,080	3,015	410	1,585	1,010	3,210	2,885
		21.9%	*21.3%*	*51.9%*	*18.7%*	*18.8%*	*43.6%*	*24.4%*

* Includes Territories

Source: Census of Canada, 1991 and 1996.

Top 10 Industries* of Self-Employment and the KBE

Total

Women	Share**	Growth	Young Women	Share	Growth	Men	Share	Growth	Young Men	Share	Growth
Non-instit. Social Services	95.0%	38.8%	Non-instit. Social Services	95.7%	39.3%	Services to Bldgs/Dwellings	62.5%	19.6%	Private Households	54.4%	33.4%
Services to Bldgs/Dwellings	37.6%	28.5%	Services to Bldgs/Dwellings	27.4%	28.1%	Motion Picture/Audio/Video	71.0%	16.1%	Other Personal/Household	19.4%	23.5%
Advertising	39.4%	22.5%	Advertising	36.1%	23.8%	Advertising	60.6%	14.9%	Advertising	63.7%	20.8%
Business Consulting	32.3%	20.2%	Business Consulting	38.4%	22.2%	Business Consulting	67.7%	14.2%	Services to Bldgs/Dwellings	72.8%	18.0%
Motion Picture/Audio/Video	29.1%	17.8%	Motion Picture/Audio/Video	26.8%	20.8%	Educational Services	36.2%	13.9%	Educational Services	32.5%	16.5%
Social Services Practitioners	64.8%	17.4%	Educational Services	67.5%	15.1%	Computer Services	75.1%	12.5%	Business Consulting	61.4%	14.7%
Insur. Agents & Real Estate	35.4%	15.1%	Other Health Practitioners	60.7%	10.5%	Other Personal/Household	22.0%	10.4%	Motion Picture/Audio/Video	73.0%	12.8%
Services to Agriculture	43.1%	14.4%	Computer Services	17.4%	6.0%	Insur. Agents & Real Estate	64.6%	10.1%	Insur. Agents & Real Estate	64.9%	10.4%
Computer Services	24.9%	12.2%	Accounting & Bookkeeping	52.9%	5.7%	Wholesale Trade	78.5%	6.6%	Computer Services	82.5%	10.3%
Accounting & Bookkeeping	42.6%	11.9%	Food & Beverage	39.6%	5.5%	Courier Service	79.1%	6.2%	Printing & Publishing	66.4%	7.5%

Rural

Women	Share	Growth	Young Women	Share	Growth	Men	Share	Growth	Young Men	Share	Growth
Non-instit. Social Services	95.5%	34.9%	Services to Bldgs/Dwellings	28.6%	35.0%	Services to Bldgs/Dwellings	61.8%	19.3%	Private Households	54.1%	42.6%
Services to Bldgs/Dwellings	38.1%	30.2%	Non-instit. Social Services	97.8%	34.4%	Business Consulting	63.0%	14.6%	Services to Bldgs/Dwellings	71.7%	21.0%
Business Consulting	36.8%	23.1%	Business Consulting	52.8%	25.9%	Computer Services	70.3%	13.9%	Services to Mining	85.0%	17.8%
Advertising	42.4%	22.4%	Lawyers and Notaries	67.6%	20.6%	Insur. Agents & Real Estate	63.2%	10.3%	Computer Services	64.6%	17.2%
Other Health Practitioners	58.5%	15.7%	Other Health Practitioners	73.3%	18.7%	Amusement & Recreation	60.7%	9.6%	Amusement & Recreation	56.5%	13.3%
Insur. Agents & Real Estate	36.8%	15.5%	Advertising	41.1%	18.1%	Services to Agriculture	57.3%	8.7%	Other Personal/Household	14.7%	11.2%
Accounting & Bookkeeping	56.8%	13.4%	Amusement & Recreation	44.4%	15.3%	Other Business Services	48.9%	7.4%	Services to Agriculture	56.3%	9.1%
Services to Agriculture	42.6%	12.4%	Computer Services	32.7%	12.0%	Transportation	86.5%	5.3%	Accommodation	53.0%	8.7%
Architects & Engineers	18.9%	11.6%	Education Services	76.6%	7.2%	Manufacturing	72.2%	5.1%	Transportation	89.2%	2.0%
Computer Services	29.6%	11.5%	Doctors & Dentists	60.0%	5.2%	Wholesale Trade	78.7%	4.8%	Architects & Engineers	67.2%	1.6%

* Industries with at least 0.5% of self-employment in 1996.

** Share is defined as the proportion of female or male self-employed with respect to total self-employed. For young women and young men, Share is defined with respect to total YOUNG self-employed. Colour code indicates growth in share between 1991-96, share has risen by:

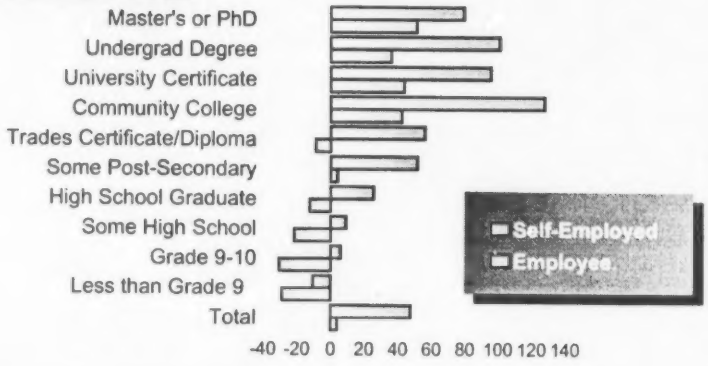
- less than 0 up to 3 % points
- from 3 up to 7 % points
- at least 7 % points

Source: Based on Census of Canada, 1991 and 1996.

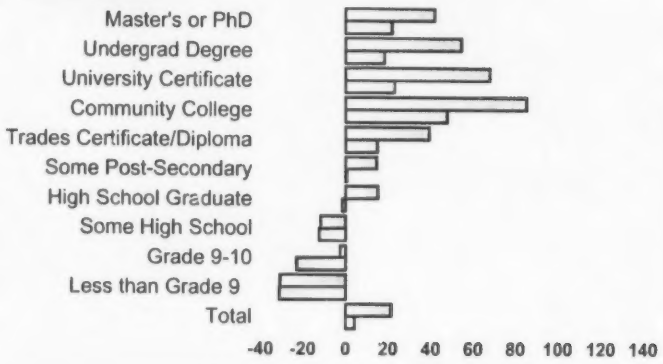
Self-Employment By Education

Growth in Paid and Self-Employment by Education, 1991-96

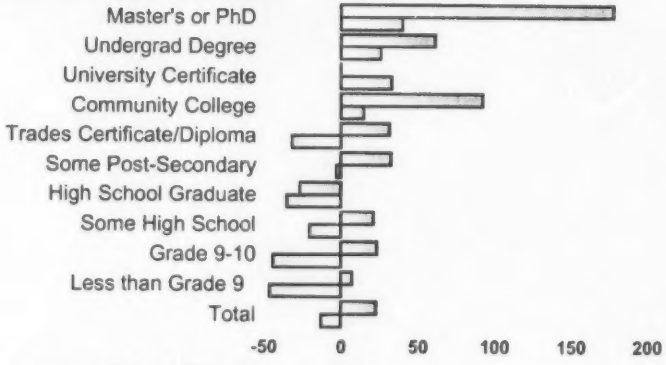
Women



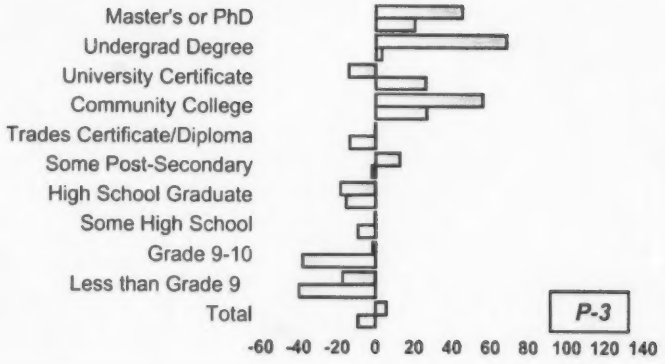
Men



Young Women



Young Men



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Source: Statistics Canada, Labour Force Survey

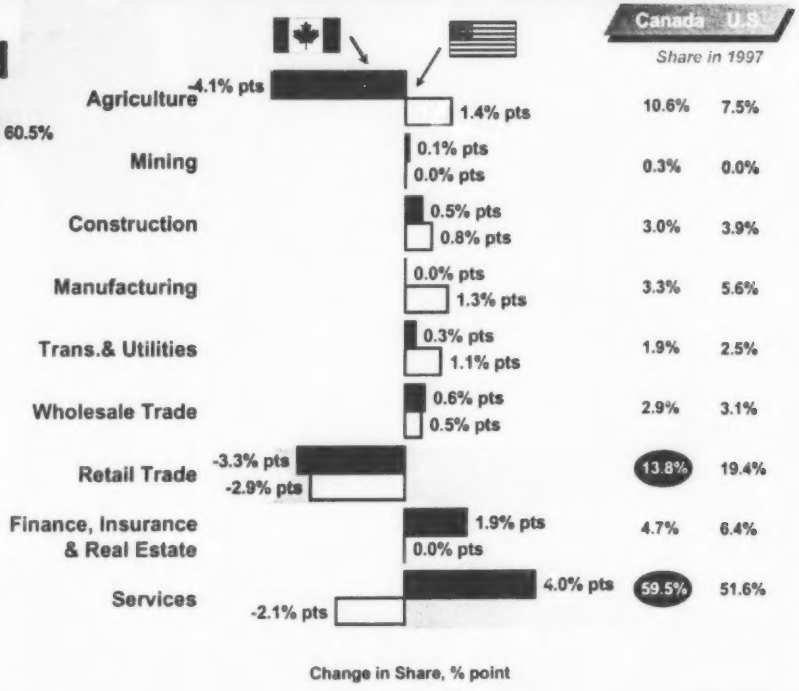
Self-Employment By Industry

A Canada - U.S. Comparison

Self-employment rates by industry, 1997*

Ratio of self-employment to total employment

Change in industrial distribution, 1989-97*



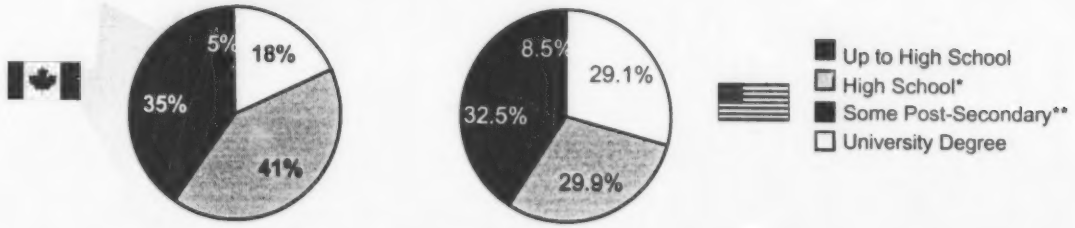
* 1996 is the latest data available for the U.S

Source: Statistics Canada, Labour Force Survey and the U.S. Current Population Survey (adjusted to Canadian definitions, as compiled and calculated by Garnett Picot, Marilyn Manser and Zhengxi Lin, "The Role of Self-Employment in Job Creation in Canada and the United States," International Conference on Self-Employment, Burlington, Ontario, September 1998).

Self-Employment By Education

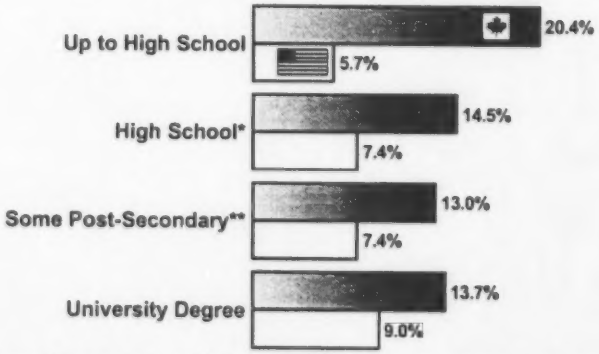
A Canada - U.S. Comparison

Educational distribution of self-employed women

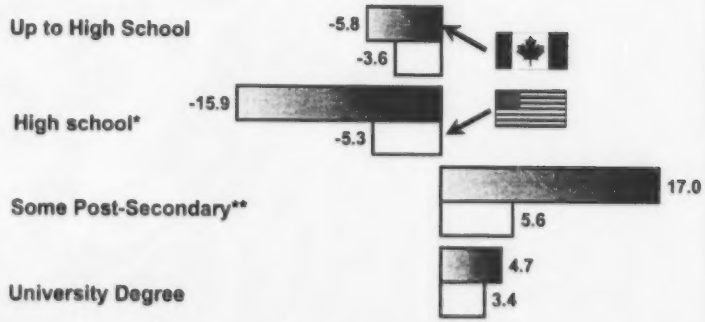


Self-employment rates by education, 1997***

Ratio of self-employment to total employment



Change in distribution, 1989-97*



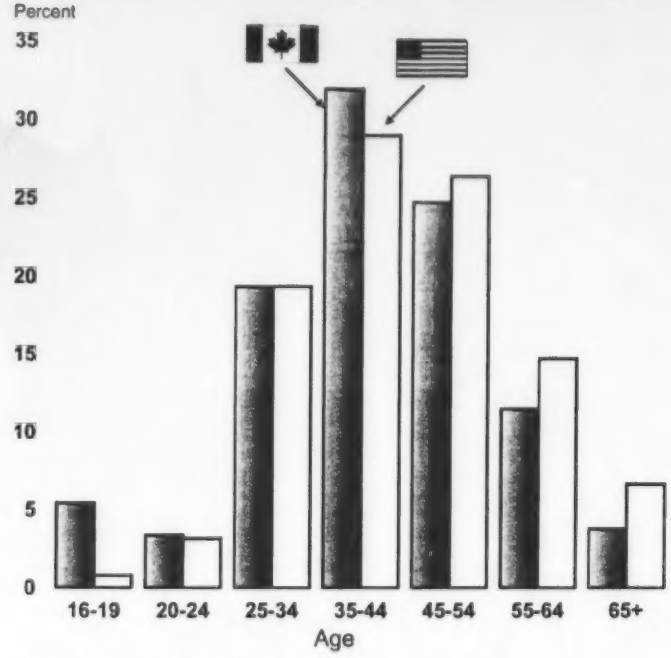
* Some High School or High School Graduate ** Includes trade certificates and diplomas *** Latest data available for the U.S. is for 1996.

Source: Statistics Canada, Labour Force Survey and the U.S. Current Population Survey (adjusted to Canadian definitions) as compiled and calculated by Garnett Picot, Marilyn Manser and Zhengxi Lin, "The Role of Self-Employment in Job Creation in Canada and the United States," International Conference on Self-Employment, Burlington, Ontario, September 1998.

Self-Employment By Age

A Canada - U.S. Comparison

Age distribution of self-employed women, 1997*



* Latest data available for the U.S. is for 1996.

Source: Statistics Canada, Labour Force Survey and the U.S. Current Population Survey (adjusted to Canadian definitions) as compiled and calculated by Garnett Picot, Marilyn Manser and Zhengxi Lin, "The Role of Self-Employment in Job Creation in Canada and the United States," International Conference on Self-Employment, Burlington, Ontario, September 1998.

For Further Information

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The *Micro-Economic Monitor* is prepared on a quarterly basis by the Micro-Economic Analysis Directorate of Industry Canada. The Monitor provides a quick and easy-to-read update on Canada's economic performance. It also provides topical in-depth reports on current economic issues from a micro-economic perspective.

The current analysis update was prepared by Dave Dupuis, Joseph Macaluso, and Stéfane Marion, under the direction of Shane Williamson.

Gary Sawchuk is the General Editor of the Special Features in the *Micro-Economic Monitor*. This quarter's feature was prepared by Gary Sawchuk and Lori Whewell, in consultation with Lois Stevenson of the Entrepreneurship and Small Business Office. Presentation / data assistance was provided by Caroline Farmer, Khamlay Pung, and Patrick Taylor, with translation by Lucie Larocque and production support by Cheryl Howick.

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